

## 'As CEO, you need to show your vulnerable side too'

*Pretty unexpectedly, this year he was appointed to the top job at ING Group. Ralph Hamers (47) is not a leader who barks out orders and slams his fists on the table. He prefers to listen.*

Ron Kosterman, Photos: Marco Bakker

**I**t was a strange start for Ralph Hamers. On 1 October, he became the Chief Executive Officer (CEO) of ING Group. That day, he was at a meeting with the senior management of the group's banking arm in the woods of Sint-Michielsgestel in North Brabant. He gave a speech outlining his vision.

His mother was ill. At the end of the day, he tried to ring her. She didn't answer. Finally, he managed to get hold of one of his two brothers. His mother had been admitted to hospital. Hamers headed for the south of Limburg straight away. It wasn't clear exactly what was wrong with her, but she was doing reasonably well.

The next day, Hamers was in a meeting with the senior management of ING's insurance branch in Rotterdam. That afternoon, he was just about to leave when his brother rang. His mother's condition had deteriorated rapidly. She died that evening. Within a year of the death of his father, he had lost his mother. 'She never said that she couldn't live without my father, but my brothers and I always thought that was the case.'

Hamers' rise has been meteoric. He was CEO of ING in Belgium and only 46 years old when the Supervisory Board, led by ex-Shell chief executive, Jeroen van der Veer, designated him as Jan Hommen's successor in February of this year. He wasn't even on the Executive Board of the multi-billion euro group 'I was surprised, too, that they chose me.'

My mother witnessed my appointment and was proud – although she didn't show it overtly. My father would have been proud, too. 'Yes, my parents were proud of all their children. Of what my brothers and I have achieved and how we've found happiness. That's how it should be. You shouldn't be proud of a child because that child happens to be CEO of a major business.'

Hamers takes after his parents. They were very modest, he explains. If anybody can restore the badly damaged image of bankers, it's him. In his smart tailor-made suit, he is a listener who asks himself key questions about the banking profession. In his austere office at ING's headquarters in the Bijlmer district of Amsterdam, one thing stands out: the prominent position given to the book *Start with Why* by the British author. Simon Sinek. The international bestseller explains how great leaders such as Martin Luther King and Apple's Steve Jobs inspired so many people. According to Sinek, they achieved this mainly by asking themselves: why am I doing this? What is the purpose?

'I ask those questions here, too. It's what guides me. I haven't felt any personal shame over the past few years, but I have been ashamed of the financial industry. Bankers are not bigger than society. No, bankers are there to help society.'

He was born in the small town of Simpelveld, which boasts a number of churches and monasteries, where he also grew up. In the rolling hills of South Limburg – close to Germany and Belgium, playing football and cycling with his older brothers – he had a care-free childhood. His father worked for the government mines and later for the Water Board. His mother was a housewife. After primary school, he went to the



Rolduc grammar school in Kerkrade. He left Simpelveld when he was 18 and later worked on plenty of international assignments, but he hasn't lost the soft 'g' sound of his southern accent.

'There's a lot of my roots still in me. My ability to understand different cultures, for example. You're in a triangle there. I never think about cultural differences. When I became CEO in Belgium, I didn't think: how should I deal with Belgians? I just get on with it and I adapt.

'I believe in God and I go to church, but not as often as I did when I was young. Christian principles underpin my management style. I trust people from the outset; they don't need to win my trust. I give a lot and don't expect anything in return. I don't believe in deal-making between people. I know that I'll always get something back.'

Hamers studied econometrics in Tilburg. 'It's about modelling the economy, financial environments and logistical processes.' He was just 22 when he graduated. During his degree, he worked for the US car manufacturer, General Motors, which had a large factory near Antwerp. Via a student organisation, he then ended up in the Canadian town of Thunder Bay, where he worked for the accountancy firm, Dunwoody & Company. 'I spent five or six months there: a freezing cold winter and a boiling hot summer.'

He returned to the Netherlands in 1989 and started work at what was then Amrobank. 'I wanted to work with customers. You can do a lot for them with models. I was assigned to a project financing department in oil and gas.' Two years later, he moved to NMB Postbank. 'Right at that time, it was announced that we were to merge with the insurance company, Nationale-Nederlanden.' ING Group was born.

Hamers was involved in aviation financing before ending up in the film industry in the mid-1990s. 'You start by making models for customers, then you write the proposals, explain them to the customer and you start negotiating.

That's how you develop your commercial talent. I really enjoyed the film financing. I got to deal with the major players in the industry, such as Disney, Warner Brothers and Paramount. For Disney, for example, we financed a portfolio with 20 films. It certainly wasn't sexy. I never saw George Clooney. The world of the red carpet and the financial backers are strictly segregated. I did go to Cannes once though. We worked incredibly hard; we had a different appointment every half an hour, running from one hotel room to another. It certainly wasn't glamorous.'

His efforts didn't go unnoticed. After a short stint in the risk management department, at the tender age of 33, Hamers was sent to Bucharest to manage the ING Romania operations. He had just got married. His twins, Michelle and Maxim, who are now 13 years old, were due to be born during his assignment. 'I had an agreement with my wife. She wanted to accompany me abroad, but preferably to a more Latin country, with plenty of sunshine and there had to be palm trees. I went through the list with her. All the boxes were ticked, she became more and more enthusiastic, but thought that we were talking about Brazil or Spain. It wasn't until she said "yes" that I told her it was actually Romania we were talking about.'

'I didn't realise at the time that ING had plans for me, that they wanted to test me. My predecessor in Romania had moved to a different bank. The other managers were still there, but they wanted to go with him. When I arrived, I noticed that straight away and rang my boss: "Did you know what was going on?" "Yes", he said. "How am I supposed to sort this out?" I asked. He replied: "I don't know. That's why I sent you." Hamers grew ING Romania over three years, increasing the workforce from 150 to 450 employees. 'For me, this was the bridge to general management.'

From that point, things moved even more quickly. In 2002, he became a member of the Management Board of ING Bank Netherlands; three years later he became CEO. In 2007, he was made head of the international office network of commercial banking and another three years later, he was given a similar job at the international retail bank. In 2011, he was appointed CEO in Belgium and Luxembourg, where ING has a large office network of 12,000 employees.

Viewed in this light, his appointment to the most senior position in the group is not surprising. Hamers came into contact with virtually all aspects of banking. He may not be quite as familiar with the insurance business, but that's being sold off anyway. This is a requirement of the European Commission and the consequence of the State aid that ING Group received at the end of 2008 and early 2009, when the group ran into difficulty owing to the credit crisis. By 2016, the idea is for ING to be just a bank. In 2012, the bank's total income (interest income and commission) was EUR 62 billion and it has some 65,000 staff on the payroll.

At commercial banking, Hamers experienced the full impact of the credit crisis and also how the aversion to bankers arose. 'It's not nice, but I can totally understand the sentiment.' ING initially received a capital

injection of EUR 10 billion. Later, the State acquired ING's US Alt-A mortgage portfolio, which was rapidly declining in value, for some EUR 21 billion. As things currently stand, the State is set to earn just over EUR 4 billion from the aid, among other things, from interest and fines. ING will repay its last instalment by May 2015.

It is strange, acknowledges Hamers, that over the next few years, he will be leading a business that is shrinking rapidly. 'I'm starting to get used to the idea. I grew up in an ING that was constantly growing in size. Ultimately, the bank that remains will still be a large, international bank. We've got operations in 40 countries and we can offer great support to the Dutch business community.'

His predecessor, Hommen, who took the helm after the State aid, reinforced the financial buffers and set the trend. ING needs to be a simpler organisation, banking needs to be simpler, the customer is the focal point. 'That's not hindsight talking, but for me, the customer has always been the focus. In Romania, I saw three customers a day – to build a relationship with them. When I ran the office network in the Netherlands, I spent two days a week with customers – just ask anybody.'

'I'm going to keep a customer portfolio. That's something I believe in. As CEO, you're an account manager, too. I want to find out from customers how ING is doing. Internally, you often only get to hear the good news. Anyway, there's not a business I haven't learnt from. At an industrial manufacturer, I also see processes and how they deal with their customers. And I want to know who is in charge at our customers so that I can better estimate the risks for the bank.'

'It's a fresh start for ING. What do we stand for? We want to help our customers, and society, to get ahead. This is our why, it's our goal. We're going to continue simplifying our organisation, customer processes and products. And what does the future hold? We're giving a lot of thought to the strategy after 2016. But before then, we also need to sell our European and Japanese insurance business. We need to do that properly.' The business, to which Nationale-Nederlanden belongs, will have its IPO in 2014. The US insurance branch had its IPO in 2013.

**A**t the end of last year, he got a call from Van der Veer. He asked me whether I was interested in becoming CEO. 'The Supervisory Board members spoke to several internal and external candidates. It was a transparent process, they were very open. You have interviews and you're given assessments. What did I think of the bank? In what direction should the financial industry be heading? How did I plan to achieve that?

And here he is: 47 years old, years younger than the bank's other Board members, colleagues who were passed over for the top job, or even worse, feel that they were passed over. It could fuel conflicts, even lead to an exodus. 'I understand that. Age has nothing to do with it. What matters is whether I can put together a team with the right mix of experience, insights and characters. Those people were already there, yes. They need to want to work with us. I want to discuss absolutely everything with them. It takes time to build a team, but I think I can do it. How? Also by showing my vulnerability. Every now and then, a CEO has to say: "I don't know, but I'll have a think about it and get back to you." As a manager, you also need to show your vulnerable side. It helps if people can see that you're made of flesh and blood. That's how you can influence things, too.'

'It's a great honour. No, I didn't cheer and shout. Straight away, I thought: how am I going to do it? My children didn't know anything about my appointment. I told them on the day that ING announced the news. The first thing my son said was: "Dad, that means you'll be coming to live at home again." When Hamers worked in Belgium, he lived there during the week.

The weekends are family time. The ING CEO is a linesman for his son's football team. He supports his daughter on the hockey pitch. His cycle route now takes him through the 't Gooi region of the Netherlands. His fixed annual salary is almost EUR 1.3 million. There's no bonus, not until the State aid has been repaid. He was paid a bonus in Belgium.

'Variable pay is a good instrument. But you need to know what your targets are and how you're appraising people. I've never believed in financial criteria alone. You always need to look at customer satisfaction and at the long term: what effect has your policy had after a couple of years? At ING, some staff still have variable pay. I don't know whether I will again in the future. That's for the supervisory directors to decide.'

## **Ralph Hamers**

Born on 25 May 1966 in Simpelveld

**1984** Econometrics at the University of Tilburg  
**1991** Joined ING Bank  
**1999** CEO ING Romania  
**2005** CEO ING Bank Netherlands  
**2011** CEO ING Belgium and Luxembourg  
**2013** CEO ING Group